Chair: Good evening, everyone, and welcome to this meeting on "Global Security and Afghanistan". This meeting is on the record and, while I’m about to introduce the speaker, would you be kind enough to check that your mobile is switched off: not just on silent but actually switched off. This is a topic of enormous importance to everyone in this country and it has been growing in importance as the year has gone by. We've had a number of speakers addressing the issue of security in Afghanistan this year. I'm sure we'll have others but we're very fortunate tonight to have with us Dr Ashraf Ghani. He is a former Afghanistan Finance Minister, also a candidate for the United Nations Secretary Generalship, an expert on the economies of developing nations and post-conflict reconstruction. He's worked as an advisor to the United Nations and on World Bank projects in China, India and Russia, among others. He returned to Afghanistan in 2002 to serve as Finance Minister in the government of President Karzi. He led the UN brokered Bonn Agreement that resulted in the first democratic elections in Afghanistan's history and, as Finance Minister from 2002 to 2004, he carried out a series of impressive reforms amid the many challenges of Afghan reconstruction. In 2004, he led a team of experts that prepared the report "Securing Afghanistan's Future", a plan widely admired as the most comprehensive programme ever presented by a developing country to the international community. Dr Ghani (applause).

Speaker: Thank you very much for that introduction. It's a pleasure to be again with you. Context makes all the difference and today, in terms of international security, we live in a world that is radically different than 1945. Let me illustrate some of the
key issues. In order to be able to place Afghanistan, which I’ll speak about in my last ten minutes of presentation, we need to understand the broader context of security for, without understanding that context, we will not be able to understand either the importance or the significance that is entailed.

In 1945, Europe was ideologically divided, physically destroyed. European Union was a glimmer in the eye of dreamers. Conflict was raging in Asia. China was in the middle of its civil war. India was yet to become independent and millions of people lost their lives during the separation of India and Pakistan. Imperial dominance was found in Africa and the Middle East. Distrust of the market after the great depression was in sight, consequently the international architecture of 1945 was heavily state centred. There was no institution for building the market. Focus was nationally – was national, whether it was culture, economy and politics. Censorship ruled the media.

Let’s see the contrast today. First, globalisation of the economy, media and information. We live in the age of instantaneous communication. The boundaries between internal and external communication have faded. What happens in Afghanistan is instantly news here, what happens here is instantly news there. The room of manoeuvre for policy makers as a result is radically changed. And in terms of standards of living, daily, billions of people are watching the standards of middle class, affluent and democratic [club? 04.27] of the world. Their aspirations are for the same standard of living for their children. We do not live in two separate worlds, we live in one world.

Asia is re-emerged after 200 years again as a global power, as a global economic power, but this emergence is being interpreted in the language of threats rather the language of opportunities. I’ve never seen so many references that have been brought from the rise of Germany in the end of the 19th Century now applied to China and India, but let’s look at the situation the other way round. What would happen if the rate of growth of China were reduced two percent a year or of India? Hundreds of millions of people would be on the go. The world is a stakeholder in the continued growth of Asia, not to be threatened by it but there is also the onset of disenchantment with markets and fickle democracy in Latin America. But particularly, there is wholesale transfer of the language of the red menace to the green menace. Islam is not the threat that communism was but it’s being interpreted in the language of threat and a lot of unemployed, so [unclear 06.08] are now busy parading the same used metaphors in terms of the green menace. We will go towards a clash of civilisation only if we make it. It’s not neither
inevitable nor necessary. A small minority cannot speak; it must not be permitted to speak for a tradition in a civilisation as great as Islam.

Use of force has reached its limit. We have to understand that there is a new place for 21st Century diplomacy. I will return to this issue again but security and stability are not the same. Stability comes from legitimate institutions, not from use of force. Security temporarily can be brought about by use of force but legitimacy is key to it. Unprecedented wealth is coexisting with medieval standards of deprivation and this – in this context, what we see is that no longer national solutions are possible. No matter how large a country, no matter how powerful, it is equally threatened or equally needs to join. Two concepts of power are vying against each other. There is the old redistributive notion of power, you tell me to do something because of the authority that you have over me. This is compulsion, whether based on wealth, age, influence, hierarchy. But collective power has not been talked through. Collective power is when you and I join to move this podium that I cannot remove. Immediately, we demonstrate a different possibility and we need to harness our imagination to the collective use of power and to give into [unclear 08.32] institutions that would answer this. Here, we need to understand that we are dealing with three critical deficits of legitimacy. The first of these is failed and failing states. These failed and failing stages that number between 40 and 60 depending on whose classification you take, are depriving between 600 to 1.2 billion people of the opportunity of security and wellbeing.

The international order is based on the notion of functioning states and today that is much more a desirable goal than a reality on the ground. We need to understand the consequences of this failed and failing state for our [world? 09.28].

Secondly, technologies and networks created by globalisation are being misused for criminality, terror and violence. Look at one of the outcomes of post-conflict agreements. Almost every single one of them has led to criminalisation of the economy because the economic aspect of wellbeing did not receive significant attention in the process of designing political roadmap. But also look into the unprecedented degree of access of non-state actors to means of destruction. This is another side of globalisation. Ask, is there access to money? Liberalisation of the banking sector has made unprecedented transfers of money possible. That is on the one side fueling economic growth but the other side is making criminality possible. And thirdly, trust in the efficiency and efficacy of international organisation has reached its lowest ebb.

Now, if effective states, are they indispensable building block of the international
system? Then we need to find measures and ways to assist as catalyst in building of effective states. Today, there is no disagreement on the need for effective states. If you look at the Commission for Africa, the first conclusion is that effective state is necessary. If you are looking from the economic side into the enabling environment for growth, we again go to effective states because rule of law is the indispensable prerequisite for investors. It's not the risks, it's the predictability of rule of law that makes venture capital possible and the market is to have a [unclear 11.40]. Historically, the state was defined through Max Weber's celebrated definition as a claim to legitimate monopoly of means of violence. This definition no longer serves us because I would argue the state performs ten functions and nine tenths of the legitimacy now is derived from provision of services to the citizens. Force is most useful when it is least used. The more we have recourse to violence – to the use of force, the more it means that there's a challenge of legitimacy. What is important about force is the threat of its use not its actual use and it's here where a revitalised, renewed UN is such an indispensable pre-requisite for change. I've reviewed, for instance, all the peace agreements that have been concluded in the last 16 years and these peace agreements are incredibly important.

I think that since [unclear 12.58] and Machiavelli, some of the most significant thinking about relations between states and citizens has taken place in these peace agreements because there the essence of every single peace agreement has a functioning state and the relationship of the need for restricting the state vis-à-vis the rights of citizens. Just to give one illustration. In Sierra Leone, one has to renew one's identity card every three months. In Latin America there are millions of people who live without identity cards, as they do in Asia. And how can you live today in our world without identity devices? It becomes very important. How do we bear a passport, how do we have an [atlas? 13.44]? What defines you vis-à-vis other people? A last name and a first name? With a driver's licence? An identity card? This is still out of reach of hundreds of millions of people. The other part is that if rule of law is to prevail then the capacity for making the relationship between citizens and state bound by rules is an imperative and, unfortunately, when one maps the sets of relationships, there is shortage. There's a great gap between the skills that are required to make peace sustainable and bring stability and the requisite skills in the international organisations, whether the UN, the World Bank or other regional organisations.

One of the things that is critically important for this project is the need for local ownership. Without sustained leadership and management skills in a country,
change is not going to come but the international community has sadly ignored higher education in the countries that are the arch of crisis. We need investment in human capital, not in general terms. Children’s education is fantastic and girls’ education is even more fantastic. I’m product here of a girls’ education a hundred years ago. My grandmother – my family has been dispossessed seven times in the last 300 years. We’ve always been at the wrong side of a civil war or foreign invasion but one of them was very fortunate because it resulted in my grandmother going to India and acquiring education. As a result, three generation of us were forced to be educated because, given her moral authority and control of all our property, it was not something that you could enter into a discussion with (laughter). I was literally [unclear 16:01] second grade and told that education was not something that I could discuss, hence the desire for reading that never left.

But, to come back to the legitimacy deficit. UN’s legitimacy deficit itself needs addressing if places like Afghanistan are going to become functional. Today, at the heart of the UN, there’s a crisis of its own functionality. It does not perform the functions that peace in our times requires. Part of this is managerial and that can be fixed, but the other is question of focus. The UN is doing too many things and not doing them well and it needs to focus. But third, and most significant, is the need for common ground. We need to find common ground regarding how international organisations ought to be positioned. The UN has been given enormous responsibility in the last 16 years but it’s always been as a measure of last resort rather than design. Just one fact. Between 1945 and 1990, there were 16 peace keeping operations. Between 1990 and 2005, there were 48. An organisation that was devoted to convening conferences was asked to take care of oil for food and 489 peace keeping operations. It would have stretched any organisation’s capability so there’s need for significant reform. Here, what is critical is that the Charter still speaks to us. The spirit of the Charter, the woman and man, and there were two very, very prominent women. Eleanor Roosevelt and Mrs Desi, Pandit Desi, Nehru’s sister, enhanced the gender sensitivity of both the human declaration – the Declaration of Human Rights and the Charter.

Now, why is it that this is important? Because Afghanistan – let me take the last ten minutes to return to the question of Afghanistan. I worked on Sudan, Nepal, Lebanon recently and have delineated a framework that would allow decision makers to focus quickly on an agenda of state building. But first [unclear 18:31], I’m going to largely confine by speaking remarks to the period 2001 to 2004 when I was in office. I’d be willing to take some questions but, as I’m not in office I don’t
what to deal with others. But, it’s – the modality of challenge and recognising. The first point about Afghanistan is that the largest asset are the people. Afghanistan is not a place that can be pacified by force. Only one Afghanistan ruler has succeeded in that, no-one else ever has succeeded by pacifying it by force. Between 1980 and 1991, we went through four civil wars, 100 revolts and the standing army of 100,000 took roughly 60 percent of the entire resources of the country to result in its complete pacification. It’s the only period in the last 400 years that I’ve looked at that we have been pacified.

If – but people – if people are the critical element, what is it that makes their judgement? Here, the key ingredient of 2001 to end of 2004 was mapping the future. The future was given a shape but it was not given an abstract shape. The future was given a very concrete shape by dividing it into periods. Look into the vocabulary. A group of totally unrepresentative people got together in Bonn to agree to a framework. If it was any other situation, those people would have been made to run the country as a transitional government for two years, or three years, and then there would have been an election. That’s the common pattern. We avoided that in Bonn. What did we do? We gave a six months period and called it an interim government because the emphasis was on the legitimacy deficit. It was [unclear 20:53] but within six months, it was given a degree of legitimacy that previous 30 years had not had. That was done through convening of the Loya Jirga, the grand council, which was indirectly elected and through a secret ballot elected President Karazi. But, again, he was not called president. He was called head of the state. Then we embarked on having a constitutional commission draft the constitution of the country and then convened another Loya Jirga which was called the constitutional grand conventional where the rules of the game were agreed upon. And this was not any post-script. It was one of the most intensive discussions that ever took place in the history of the country to agree to the rules of the game. That, in turn, became the basis for, first of all, presidential elections and then, within a year, for parliamentary elections.

What was in the core of this? Shifting the basis of authority and legitimacy from external actors to the people of Afghanistan as the sovereign owners of the country and that’s what held the country together. The second issue was that expectations needed to be managed. First lowered and then managed. The world did not do us a service by telling us that we were going to be models. State building in Afghanistan was done on the cheap. We’ve had the lower per capita investment in a post-conflict country. You know, when the members of the constitutional convention spoke, I took notes on 20-25 of them and then reported
back to them. This was a device that we had arrived at. Each one of them spoke for five minutes about immediate needs. You know what was developed? $80 billion in immediate expenditure and if one changed the figures because of the time of cost then it ranged between 60 and 120 billion. Now, why was this realistic and why was it totally unrealistic? It was realistic because the World Bank estimated that between 1978 and 2001, Afghanistan had lost $240 billion in destruction and lost opportunities. So, their expectations were derived from standards of living of the neighbouring countries in their desire for immediate things but it was totally unrealistic because nobody was going to give Afghanistan that kind of money. And I got up and informed all of them that six months of very intense bargaining for [unclear 23:50] document, securing Afghanistan’s future had led to a commitment of $8.2 billion for three years, an understanding that eventually the international community would commit $29.5 billion dollars to reconstruction of Afghanistan.

People needed to lower their expectations. Why? Because the key was to mobilise the Afghan, saying we needed to solve our problems. That meant inventing a modern economy. Without inventing a modern economy, we could not have gone forward. Our challenge, however, and it still is there, we were not just acquiring the legacy of violence and destroyed institutions. We were also cursed with reproduction. Had we been poor, alone without drugs, we would have had time but with drugs, the nature of the challenge was radically different and the world did not help by not understanding the context. The drug education plan that was prescribed to Afghanistan was copied from Colombia. It didn’t work in Colombia, as I pointed out in 2004 in a “New York Times” article, and now everybody acknowledges that it was not worked for Afghanistan. We need to deal with the challenge of drugs in a very different way. I would elaborate if there were questions but the key to it lies in financial management, to be able to design with guaranteed instruments to secure private sector investment. Without making drugs a small part of a much larger economy, there is not a solution to drugs. And the other is we have to recognise that this is not just the problem of the producers. The West has to do something about its consumption habit otherwise it will not have the moral authority to preach the producer. We need to be on the same moral plain. When the cost of heroin is cheaper than a cappuccino in London, this is not a recipe for asking the Afghanistan farmer for sacrifice. We need to join. This is a common curse. We are getting an addiction problem. It does not recognise boundaries.

But, third issue that really comes to the heart of it is state building in Afghanistan
can neither be done by Afghans nor by the international forces alone. The type of strategy that is required is a coproduced state. What does that mean? That means that we have to be goal oriented. Break down the generalities into specifics. It means overcoming our habits of working in silos. What are those silos? The military, that's security. The UN, that's politics. The agencies and the World Bank do development. Now, what did we discover? The developmental groups actually do not know how to do development under such conditions. What we found is that under the challenge of responding to immense pressure of time, the slow habit of designing a role and taking two years or four years does not correspond to the legitimacy demands of the population. That you cannot deal with security through creation of the Afghan army alone. You need to create a path of upward social mobility for the young people; 60 percent of our people are under 16, or 20. This requires a completely different kind of imagination. It is this possibility of coproducing.

Now look into the cost. What's the security bill in Afghanistan? 15 billion a year at least and rising. NATO coalition interventions are costing at least 15 billion a year now. What is the expenditure on the developmental side? Effectively not a billion a year actually spent. This is portion is the cost of the product. We need to shift the balance to a way to ensure long-term returns and that requires dealing fundamentally with issues of creation of legitimate institutions. The heart of the problem is not the strength of the opposition; it's the weakness of governance. We have to be able to address this and let me deal with the [unclear 29.11] and then Islam is not the problem, it's the solution. You know, I have been a very firm believer in transparency and accountability, the rule of law. When asked – when I became Finance Minister, you know, we had – the day I became Finance Minister, you know how much money we had in our treasury? Not one cent, literally. Zero. There was no reporting, there was no understanding. Provincial governors had completely taken over the revenue and were not submitting anything to the central government. So my first task was to find $20 million in order pay the population – to pay the civil servants. But I was able to centralise the revenue and President Karzai made the decisions, and he's a superb politician in terms of being able to make the decision. You know how I collected the revenue? By going to the mosques. Literally. I went to [unclear 30.08] our most important revenue source. The governor had 10,000 soldiers working directly in his employ and they were completely paid. I didn't have a single bodyguard, armed bodyguard, but for seven days I made the tour of the districts and I invoked the first [caliph? 30.28] of Islam, who is a model of accountability and transparency, and said, "If this is our political tradition, is it just not to get the
My last presentation was in the Grand Friday Mosque of the city of Kherad. Next day, I told the governor that I was taking $20 million from him and henceforth all the revenue was centralised. He couldn’t move because the issue was the people. They would have not stood for lack of legitimacy and had he moved, I could have called the president and if the president authorised it, he would have been dismissed and I could have taken immediately that [unclear 31.14]. The question of challenge here is how to translate authority into power that delivers and that requires working within a cultural tradition, not [unclear 31.25]. All cultural traditions are diverse and have a lot of elements to work with and, here, the agenda can be addressed in that [unclear 31.37]. The key again is to be able to give — inject hope. The elements are in place; key is that we are able to move forward in a creative way to regain momentum. In 2001, Chancellor Joschka Fischer gave us five percent chance when the Bonn Agreement was signed, the day it was signed, that it would result in fulfilling its aspiration. This is what he told me in 2004. We were able to succeed against all odds but part of it was that internally — externally we were able to coordinate, and move forward and grasp the future. I’m sure that the same can be done now. Higher risks but the opportunities are even greater. Thank you (applause).

Chair: Dr Ghani, thank you very much. We’re just about to prove you wrong, actually, because Camilla’s going to lift the podium all by herself (laughter).

Speaker: She’s much stronger than me, you see.

Chair: Thank you. We’ll go to question and answer session now. If you’d be kind enough to give your name, affiliation if appropriate, and keep your question or comment short. Yes, you first.

**Question and Answers**

Participant: Chris [Randall? 33.05], a member of the Institute. Dr Ghani, you said that the largest asset in Afghanistan was people. Now, I think I’m right in saying that you have the reputation, sir, of being a strong supporter of the Pashtuns. Could you tell me to what extent do you think ethnic problems in Afghanistan are holding back development at the moment? Thank you.

Speaker: Would you like me to take one by one?
Chair: If you would.

Speaker: First of all, I think I’m the only technocrat who’s never appointed anybody from his clan and I offered to resign if anybody could demonstrate that a single person from a clan that’s close to a million people had been appointed the minister of finance. Two issues. One, the sense of nationhood in 2001 was enormously strong. One fact; between 1991 and 2001, if any part of Afghanistan wanted to secede they’d have nothing to prevent them. That we’ve never had a single separatist movement, this is a tribute to our common identity and I think nothing moved us more to realise that the Taliban were an alien imposition than the destruction of the statue of Buddha. There are no Buddhists in Afghanistan but every child that is gone through the schooling that I have gone, or Dr [unclear 34.39] here has gone through, would realise that the sense of pride in the country as a space makes our past heritage part of that fabric of the nation.

Second is when we come to complexities of history. First, the path of state building at the end of 19th Century was extremely brutal, particularly in Central Afghanistan. The Hazara population of Central Afghanistan was enslaved between 1886 and 1896. The legacy of state is one of discrimination. The challenge is how to shift from that legacy of discrimination to one of trust and capabilities. The [market? 35.30] by contrast in Afghanistan has been a force for equality. The contrast is immense. You know, when you’re discussing the state, our government offices, now you have to look for all kinds of balances. When I met with delegations of traders, I never asked for ethnic balance. The ethnic balance was automatically there because their participation has taken place. So, the issue becomes how can you de-ethnicise politics? First is to focussing on poverty. Poverty knows no ethnicity. My slogan in government was education of the poverty as our new politics because that is the common threat and the opportunity to overcome. Second is government [unclear 36.22] autocratic which requires imaginative ways to be inclusive but not discriminatory. Now, the politics of patronage that flows from ethnicity is very real because when you’ve had 30 years – 20 years of conflict and people have not discovered each other, it’s an immense issue how to deal with it.

One illustration then I’ll stop. We were bilingual. We no longer are bilingual. Millions of Afghanistan who’ve gone in Pakistan don’t understand Dari. Millions others that have gone in Iran don’t understand Pashto. They are – we are again becoming bilingual but this is not something to take issue with saying. “These
people don’t understand one of the official languages.” The question becomes, how do you provide the possibility of multilingualism? And in the constitution, that’s a phase that I directed and includes some of the most intensive discussion was regarding language. So, we made two moves. First, some people were saying, you know, declare Pashto national language. My argument was, “What is it about Pashto that makes it national that does not make any other language that we speak national?” All our languages are national and we came with the only constitutional framework that was legitimate, which was saying all the languages of Afghanistan are official. I think it’s through that modality that you really need a middle class that grows organically, that can overcome the issue of ethnicity, otherwise the politics of patronage would draw us toward divisions.

Chair: Question over here.

Participant: [Unclear 38.24].

Speaker: Sure, hope this is short.

Participant: Two questions. First of all, on the direction of developments in Afghanistan, if we continue doing what we are doing today, tomorrow what we are doing today, do – is Afghanistan, in your opinion, moving towards a sustainable and stable situation, or is it all falling apart? Second question, if you should not go to the UN, what would your next move be (laughter)?

Speaker: The second one is easy. I’m working on state building as an [approach? 39.03] and the last thing I did two weeks ago of an analysis of Lebanon. We’ve developed ways of – my colleagues and [unclear 39.12] and some of our other colleagues – of quickly taking stock of very complex situations and dealing with key decision makers. Now, we’ll be advocating fundamental change in international organisations in the process of state building. On the first one, Afghanistan requires urgent attention. What happens depends on how well the international community and Afghans are able to work together on solutions rather than descending into a blame game. What is critical is to get outside a blame game and focus on solutions. This year, I think we’ve spent too much time blaming each other rather than focussing on our common challenge. Afghanistan and Iraq are now one theatre. One needs to understand this. The networks of terror are being fed by drugs and coordinating in terms of techniques, therefore, we must become much more focussed on the type of agendas that gives the population hope rather than drives them towards despair.
Chair: Question here at the front.

Participant: Dr Ghani, slightly pre-empted my question there --

Chair: Your name please?

Participant: My Name’s Jonathan Miller from Channel 4 News. I – perhaps it’s the journalist in me but I did notice two things jumped out at me from your presentation there. The first was that you said that Afghanistan is not a place that can be pacified by force and you also said that the weakness of government is the heart of the problem, not the strength of the opposition. Now, you just said that we shouldn’t play the blame game here but I – forgive me, but I would interpret that, perhaps, as a rather damming indictment of the way things are. Given the state of the way things are at the moment, my question was, how do you regain momentum, as you put it? In one way it’s what you’ve already answered to the last question there, but is there something practical you can suggest that can be done given where we are right now?

Speaker: I had a piece in ‘Financial Times’ a couple of months ago that argued the case on what can be done. The first thing you need to do is now focus on security of Kabul. It is a must that we should not allow Kabul to be turned into another Baghdad and this requires significant attention to both participation of the citizenry and their own defence and to reorganising governance. Second, there must be a sense of a model for places which are now in the midst of immense armed conflict. What should they be looking for? The places that are peaceful must really become the focus of developmental attention. Centre of Afghanistan is completely quiet but where is the developmental dividend. Not in Afghanistan. The provinces surround Kabul. Speed must really come. Thirdly, dysfunctionality – the expenditure of money must become transparent. All UN agencies should put their accounts clearly on the table and saying what services are they providing with what money. The same applies to our developmental partners. How much of a dollar of aid is really being spent in Afghanistan. When it’s attached to various other agendas, it should be clearly explained. The other part is providing an environment for investment through insurance to risk guarantee instrument is absolutely critical to getting out of the drugs. You know, Afghanistan is not poor. One of the largest copper mines in the world, one of the largest iron mines in the world, enough marble to last the region 400 years, etc. We have to come to a coherent developmental agenda that can give connections back to our
globalising work. And lastly, we have to rethink the nature of security in terms of both use of force but how sustainable institutions of security in Afghanistan can be [invested? 43.55].

Chair: Question here.

Participant: Yes, William Crawley, I'm a member of Chatham House. Sir, when President Karzai was in this country a few months ago, he was telling us and the international community that too much money was going to non-government organisations in the effort to rebuild and reconstruct Afghanistan, that more money should be going to the Afghan government. Are you confident that the government, as it is or as it might be, has the capacity to deliver the greater demands that are now being put on it?

Speaker: Two issues there; one is the non-governmental organisations and international aid organisations suffer from as much of lack of capacity as the government of Afghanistan. It took USAID four years to design a strategy. They promised us 400 schools, they built eight. The Afghanistan government, by contrast, put the strategy – developmental strategy together in March 2002 and presented securing the Afghanistan’s future on April – 31st March-1st April 2004. The issue is how intervention – this has become a chicken and egg situation where UN agencies and non-governmental organisations keep saying the government is not functioning. What is their own functionality? Are they functional? So, that’s one part, rhetorical. But that’s cheap return and I don’t want to [stay there? 45.23]

Second is, we really have to focus on the legitimacy dividend. What it means is that peace and stability would only come when people see the government delivering to them and being held responsible and accountable to them. This means if the capacity is not there, we should create the capacity. Let me give you one example. There’s a young Afghan woman, her name is Nargis Nehan. She is under 35. I first hired her as a aid coordination officer. She was so immensely talented that I promoted her to become director of treasury. In one year, she created a single treasury account in Afghanistan that’s been unprecedented anywhere. Indonesia still has 60,000 separate accounts. And she trained a [unclear 46.14] who had never seen a typewriter to operate a fully computerised system and I would dare any warlord in the country to face Nargis (laughter). You know, the talent exists. It’s the question of what type of strategy, what kind of vision [break in recording 46.33] you bring. [Kabul? 46.38] University, which I have had the privilege of leading, you know, I spent three months talking to all the 10,000 students. I did nothing else for three months but just talk to them. They
were given 40 minutes in groups of 20 to give me an identification of the top five problems at the university and they had — there was only one vote. The representative could not speak more than five minutes. All of these people were able to delineate an agenda and give me 96 percent consensus on what needed to be done. The talent exists. We need to mobilise it. The question of capacity is not one of invention but one of bringing about the existing modalities together and then looking at the gaps and focusing. But when you’re getting technical assistance where people are paid $1,500 a day and can barely count arithmetically — if you said dozens of people who were sent as financial experts to me who had never been inside a financial management system, and then you’re asking an Afghan government servant with $30 a month to be actually their counterpart, there’s a problem.

Chair: We have lots of questions, I’m afraid, but you first.

Participant: Hi, I’m [unclear 47.49]. I am interested to know, do you think that — I think a lot of people understand that the violence in Afghanistan isn’t just perpetrated by the Taliban. There are a number of actors involved. Do you think it could be an opportunity for the government to start negotiating with the Taliban?

Speaker: The question is, what is it that you negotiate over? First of all, you know, I mean, violence. Look at the amount of money involved. $2 billion in drugs, at least $400 million in antiquities. Another 200 million a year in timber. Another 800–$400-800 million in smuggled goods. The country is leaking. There is whole set of networks of criminality that want disorder. We need to look into the forces of disorder in a regular way. What’s the confluence? A label called [Talib 48.51] covers all these? There are different sets of interest that want instability. All post-conflict conditions, and we have looked at lot of them, have one thing in common. They do not want their forces that thrive on disorder. It’s the ordinary people, the silent majority, that want order. Nothing is off the table but the president has leaned backward continuously in terms of reaching out. What is the counter agenda? What is it that the opposition wants to put? They want better engaging and violence and unless there’s a willingness — you see, peace comes when both parties to a conflict realise that continuation of violence is not furthering their interests. At this moment, we have not reached that kind of saturation from the opposition. By contrast, because money is so readily available and the means of destruction at least $10 billion worth of armaments was injected into Afghanistan. You know, we have open dumps in which 60 tonnes of armaments are sitting. In this situation, we need to think very carefully before we simplify and say that
there's a political dialogue that can bring the answer.

Chair: Question here.

Participant: My name is [unclear 50.19] from Diplomatic Academy of London. You – Mr Ghani, you talked about your adherence to the rule of law and the value of education to the women but we all remember some creature that exists within Afghanistan called Taliban. We can't call them human. During their five years of ruling in Afghanistan, they did not have any regard to the human value to the woman and during – and thousands of people were massacred in Mazar-e Sharif. 60 women according to Amnesty International was taken as a slave woman and given to the Arabs. But during five years, you were the goodwill ambassador to the world. We probably – BBC Pashto channel has all the records of your interviews that you were portraying Taliban [unclear 51.00] as the best thing ever happened to Afghanistan, up to 9/11 I remember. But do you think those who support the Taliban are those – in case of Africa, those who support the Tutsi, or those who supported Milosevic, they will make a good UN general secretary, those who didn’t give any regard to their own people they will have regard to the life of people in Darfur, or they will have regard to the life of people in East Timor? Thanks a lot.

Speaker: Thank you very much. First of all, you must really be confusing me with somebody else. I think Dr [unclear 51.30] is here as a representative of the BBC. I – if you recall, the Taliban expelled the representative of the BBC from Afghanistan based on the interview that I gave. Look at the CNN, the PBS interview. It has Dr [unclear 51.48], who, at that time, was saying the Taliban were a force for stability and I’m on record as saying they will not change. If – we need to become more humble in terms of our homework and actually do things. If I devoted my life to serving the poor in the remotest parts of India, the remotest parts of Russia, in China, Bangladesh, etc. why would I have anything to do with the Taliban? Anybody that can produce a single evidence of my interaction with them in any form, public or private, I would stand for scrutiny and for [unclear 52.36] arbitration. I hope that you would be able to bring the statement that you’ve made to a neutral group of people, then I’d be delighted to answer. I’ve always condemned the violence of Taliban and, particularly, their ethnic force in places in [unclear 53.00]. The massacre in [unclear 53.02] is very visible and a lot of them wrote letters accusing. If there’s somebody else that you’re confusing with, I hope that that stands otherwise I think intellectual integrity and commitment to rule of law requires fairness in labelling statements.
Chair: Question here.

Participant: [Unclear 53.30]. You answered a question on Taliban earlier, but I was – just wanted to know whether or not – if you might be able to bring the Taliban to the negotiating table by offering them a possibility, a chance of some kind of political legitimacy as well, some kind of sharing in the power in Afghanistan at the moment.

Speaker: The question really is, who’s the [Taliban? 53.52]? You know, to the ordinary – I mean, the President Karzai and government, whoever was part of it during the transition of care and subsequently, has said that all people of Afghanistan under the law have the chance of political participation. Members of various groups, you know some of the most – the people, not just the Taliban, some of the people – the minister of interior of the communist regime that was accused of immense set of atrocities is now a member of parliament. He’s been elected. That election has not been cancelled nor has been the election of other people. Whoever stood for the process of parliamentary elections was actually brought within the umbrella, I’ve not been part of the government during this period so I’m not responsible for that decision but the approach with the president has been very clear. Now, the question is, what is it that the group that goes under the name of Taliban is proposing? What is their agenda? What do they want? To be part of the solution rather than part of the problem. And if it’s a rejection, an [unclear 55.06] of violence and reducing Afghanistan again to a second set of interests in service of another agenda, one thing about this is common. We have a very strong sense of nationalism, of the priority of the nation over another more regional or global set of interests. Now, are they adhering to this framework or are they not? If they can be part of that framework then [unclear 55.39] but if Afghanistan is second to them in terms of other sets of agendas, then that really poses an immense difficulty in being part of the solution.

Chair: Now, it’s half past six and this is when we said we would draw the meeting to a close. Are you prepared to take another –

Speaker: Sure.

Chair: – two or three questions?

Speaker: Sure. Absolutely.
Chair: Okay, if anyone has to leave now, of course, we will understand. There's a question right here.

Participant: Thank you. Robin Christopher of Chatham House, member. You emphasised the linkage between legitimacy and power. At this moment in time, is the presence of NATO forces in Afghanistan adding to the legitimacy of a weak government?

Speaker: First, historically. In 2001, there is a lot of hesitation in deploying international forces in Afghanistan but they were deployed, what happened? The children of Kabul embraced ISAF. The difference is really visible. Our children would not go to our militia, they would run away from them but they would go to ISAF. The ordinary Afghan knows the difference. I think the way no-one else does, between forces that come in anger and forces that have come to help establish institutions. And it's this tolerance that time and again has been the basis of an attitude of forgiveness for mistakes that have been committed. People have been bombed but people have understood this. Now, the balance is on the – how to think through of stabilising the situation and creating the legitimate institutions that would answer to the wishes and aspirations of the people but NATO, certainly today, is an essential ingredient of stability in Afghanistan. Without that, the situation is too fragile to hold. But that is one component. It has to be broadened to a strategy of full development and coordination and cooperation so we can have Afghan institutions that answer to the needs of the Afghan systems, regardless of the language they speak, the gender they have or the location there. And this is not an easy challenge. It is going to require time.

Key is here the nature of commitment. Germany was changed after World War II because there is a long-term commitment. This cannot be done within two years or three years. It's going to require longer time horizon and it's that time horizon that is the key to projecting commitment.

Chair: Question over here.

Participant: [Unclear 58:52], a member of Chatham House. I was very taken by the, sort of, the numbers in dollars that you were throwing around where you were suggesting that the peace keeping force, or the NATO force, is running at about a – I think you said 12 billion, 13 billion, whereas the disbursed agency or aid funds that are coming out to a, sort of, a billion and then saying that, you know, if you look at the access to the monies that the Taliban can raise through drugs etc is running, I
guess, at something like four to five billion. Everyone's read the debates that are clearly taking place in the press and elsewhere about the extent to which NATO should put more troops in, I would suggest, meaning that the spend would go from a billion to some number north. You have a situation, for instance, in the US where the government spending is completely out of control –

Chair:  Question, question, please.

Participant: To focus on the question, how realistic do you think it is that, at the same time when there is financial pressure, where you've got to spend more money on, let's say, a NATO or a NATO force and then spend more money on aid, which has been notoriously difficult to disperse in terms of the institutional processes, how – I mean, how do you see that happening? Do you think policy makers in Washington or in London really understand the point and understand that there is a really difficult institutional paralysis that needs to be unblocked? It's sort of an open-ended question but I –

Speaker: Well, the first thing is not to think in terms of aid. The first thing is really to think in terms of trade and investment. There is at least $5 billion of Afghan money sitting in the Gulf. That is the first challenge. How do we create the condition for return of this money? We need to – it's Lloyds of London that becomes part of the solution there. How do we create risk guarantee instruments? How do you create insurance? How do you create insurance? How do you create binding arbitration? Every situation is risky. The key is not risks, the key is risk management instruments. So, one way to fundamentally change the equation is not to ask for more aid but to ask for more modalities of investment and trade. Regional trade is key. You know, trade of Pakistan, Pakistan used to export $26 million under the Taliban. This year they have $1.3 billion in legal exports and when you put the illegal exports probably coming to two billion a year. Iran, Central Asia. Once the ring road around Afghanistan is completed, every Central Asian capital is going to be a maximum of 32 hours by road from the Gulf. That is where we have to redirect and rethink the nature of possibility. Second, in terms of aid itself, it has to become focussed. Instead of being thousand small things, what we need are the bulky major investments to take place and there the key, again, is to mobilise the Afghan contracting industry in ways it can be made more effective. Then is the question of attention, being able to get – I think that today, decision makers worldwide have understood that Afghanistan needs a lot more attention and a lot more resources to make it a success. If failure is not an option, that President Bush, Prime Minister Blair and other world leaders have said, then
we need to think the modalities that were designed and the aid system for a much more stable world. And I think that’s likely to happen.

Chair: Dr Ghani, we’ll have to draw it to a close there. We’re really grateful to you for coming this evening. You flew in from New York this morning, where you had other matters to attend to, obviously (laughter). We’re really grateful to you. You’ve kept your audience spellbound. I think you’ve made us all think more deeply about these issues, particularly with your very thoughtful introductory remarks. You’re here tonight, you’re off somewhere else tomorrow, but let us, at least, take this opportunity of thanking you most warmly for your contribution tonight (applause).

[Recording ends]